



PRESS RELEASE

AG Frosh, Secretary of State Wobensmith Announce Dissolution of Scam Cancer Charities *Cancer Fund of America, Related Charities Dissolved After Bilking Donors of \$75 Million*

Baltimore, MD (March 30, 2016) -- Attorney General Brian Frosh and Maryland Secretary of State John Wobensmith announced today that Maryland and its partners have dissolved two sham cancer charities and have banned their president profiting from any charity fundraising in the future. Attorney General Frosh and Secretary of State Wobensmith worked with the Federal Trade Commission and representatives of each state and the District of Columbia, marking the end of the largest joint enforcement action ever undertaken by state charity regulators and the FTC.

Cancer Fund of America Inc. (CFA), Cancer Support Services Inc. (CSS) and their leader, James Reynolds, Sr., agreed in court documents filed yesterday to settle charges that the organizations claimed to help cancer patients, but instead spent the overwhelming majority of donations on trips, gifts and salaries for operators, families and friends, as well as on fundraising activities.

Under the [settlement order](#), CFA and CSS will be permanently closed and their assets liquidated. Reynolds is permanently banned from profiting from charity fundraising and nonprofit work, and from serving as a charity's director or trustee or otherwise managing charitable assets.

"We are sending a clear signal that we won't tolerate this kind of deception and egregious lies," Attorney General Frosh said. "For those who are generous enough to give and help others, our office is here to ensure your good intentions are fulfilled."

"Together, the FTC and state charity regulators across the country presented a united front against charity fraud and put an end to these sham charities," Wobensmith said. "We will not sit idly by while scammers defraud consumers and deprive legitimate charities of much needed support."

In May 2015, Maryland and other officials announced the unprecedented multi-state crackdown against a total of [four sham charities](#) accused of raising tens of millions of dollars to purportedly assist cancer victims that instead funded salaries, cruises and concert tickets. According to officials, the four charities raised a combined \$187.1 million between 2008 and 2012, using marketing calls and direct mail to portray themselves as national organizations on the front lines of care and assistance. But more than 85 percent of the money raised went to reimbursing fundraisers, paying salaries, trips to Las Vegas and Disney World, Jet Ski outings, dating website

subscriptions and other personal expenses for founders, their family members and board members. Less than 3 percent of donated money went to programs as claimed.

At the time, the Children's Cancer Fund and the Breast Cancer Society were dissolved through a settlement agreement. The remaining two, CFA and CSS are being dissolved now.

The order imposes a judgment against CFA, CSS, and Reynolds of \$75.8 million, the amount consumers donated to the two organizations between 2008 and 2012. Because of limited assets, it will not be possible to reclaim most of those funds or return money to donors. However, all available assets will be liquidated, and proceeds will go to legitimate cancer organizations, which was the original intent of donors.

Attorney General Frosh and Secretary Wobensmith urge Marylanders to look into a charity's registration status and ask questions about how their donation will help the charity's stated purpose before donating.

The Office of the Secretary of State registers and regulates charitable organizations that solicit charitable contributions in Maryland. The Office works to ensure that charitable contributions made by Marylanders go to qualified charitable organizations and are used for the intended purpose.

To check if a charity is registered in Maryland, please call 1-800-825-4510 or to report other suspected violations of charitable giving law, please contact the Investigations Unit of the Secretary of State's Office at 410-260-3879. More information on charities can be found on the Secretary of State's charity home page: <http://www.sos.state.md.us/Charity/SearchCharity.aspx>.